



# United States Congress

NEWS RELEASE

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## Bipartisan Budget Language Inserted to Protect BPA Customers from Rate Hike

WASHINGTON, D.C. – Today, U.S. Senators Patty Murray (D-WA), Ron Wyden (D-Oregon) and Mike Crapo (R-Idaho) successfully included language in the Fiscal Year 2008 Budget Resolution that is a critical first step to defeating an administration proposal to increase the rates of Bonneville Power Administration (BPA) consumers. Murray, Wyden, and Crapo, all members of the Senate Budget Committee, have been supported in their efforts by a unified, bipartisan delegation of Northwest Senators. On February 9<sup>th</sup>, eight Northwest senators wrote to Office of Management and Budget Director Rob Portman to express their opposition to the BPA provision and pledge their commitment to work to defeat it.

The Budget language inserted by Murray, Wyden, and Crapo sets the stage for a workable legislative solution to block the administration's proposal. The language mandates that the Senate Budget Resolution will not assume any savings from the administration proposal and also assumes funding to accommodate legislation blocking the proposal. The harmful administration proposal redirects approximately \$646 million in projected BPA revenues over the next five years to accelerate payment to the U.S. Treasury – ultimately resulting in a rate hike for BPA consumers.

The administration proposal would also chip away the Northwest's access to low-cost power which has been a key part of the region's economic growth. The proposal is the latest in a long line of attempts by administrations of both parties to harm the Northwest's cost-based hydropower system. BPA, a hydropower system, is the largest power wholesaler in the Pacific Northwest, supplying an estimated 45 percent of the region's power. The proposal also comes as Northwest ratepayers continue to recover from high power costs resulting from the Western energy crisis. That crisis increased regional wholesale electricity rates by 46 percent.

Additionally, the administration proposal to accelerate debt payment circumvents an ongoing regional dialogue about the future of BPA. That discussion, which includes many regional stakeholders, concerns how to best maximize the value of BPA. By injecting this federally mandated proposal, the administration is undermining a careful process of collaboration that has been developed in the Northwest.

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"I led this effort in the Senate Budget Committee because I know that the last thing Northwest residents need is higher energy prices," said **Senator Patty Murray** (D-WA). "Congress rejected this effort last year, and I am confident we will prevail once again. It is time for the administration to take this off the table for good so that BPA consumers can have peace of mind knowing that future rates will not be subject to meddling by the federal government."

"The Administration keeps trying to use Northwest consumers like a 'pay day loan' program for the Treasury," said **Senator Ron Wyden** (D-OR). "Accelerating payment of BPA's debt to the Treasury may put dollar signs in the eyes of Administration officials, but we will not stand by while ratepayers in Oregon and other Northwest states are forced to pay higher rates as part of some quick cash scheme."

"I am glad that the Senate Budget Committee has again supported the rights of BPA ratepayers in Idaho and throughout the Pacific Northwest by explicitly rejecting this plan," said **Senator Mike Crapo** (R-ID). "Our region has worked carefully to ensure that BPA's rates are more stable, predictable, and affordable; yet, this proposal would have undermined that progress and raised consumer rates up to 11%."

"Today is good news for the Western states," said **Senator Max Baucus** (D-MT). "By working together we successfully fought back rate hikes that would have hurt rural states. I was proud to work together with Senator Murray to protect rural electric customers."

"Nothing unites the Northwest delegation like slapping OMB's hands when they try to dip into the BPA cookie jar," said **Senator Larry Craig** (R-ID).

"This proposal is simply a thinly disguised rate increase," said **Senator Gordon Smith** (R-OR). "The Northwest delegation remains united in our opposition to policies that will raise rates for BPA's customers"

"The BPA rate hike didn't belong in the federal budget this year, just like it didn't belong there the year before or the year before that," said **Senator Maria Cantwell** (D-WA). "Yet again, the bipartisan Northwest delegation has come together to oppose the president's plan. The Northwest has managed our own energy resources successfully for over 70 years and the president really ought to come up with a new plan to pay down his own deficit. To keep electricity affordable and help our economy grow, I'm going to do every thing I can to keep control of our energy resources right here at the regional level."

"These rate hikes are a bad idea for rural states like Montana," said **Senator Jon Tester** (D-MT). "I was glad to work with my colleagues to protect rural electric customers in Montana and throughout the West."